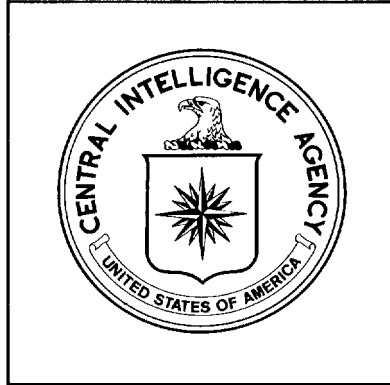


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STAFF NOTES:

# Chinese Affairs

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June 23, 1975  
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## CHINESE AFFAIRS

This publication is prepared for regional specialists in the Washington community by the East Asia - Pacific Division, Office of Current Intelligence, with occasional contributions from other offices within the Directorate of Intelligence and from the Directorate of Science and Technology. Comments and queries are welcome. They should be directed to the authors of the individual articles.

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Focus on the Ford Trip  
[REDACTED]

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While still pressing to some extent for significant movement toward resolution of the Taiwan issue, Peking appears to be increasingly focusing on President Ford's forthcoming trip to China as its immediate goal in Sino-US relations.

Senior Chinese officials recently have indicated that Peking feels no urgency in dealing with the Taiwan problem and that, while the Chinese might prefer to move ahead on the issue during the Ford visit, the President was welcome whether there is likely to be significant movement on bilateral issues or not. In a conversation with a group of American newspaper editors on June 2, Teng Hsiao-ping strongly asserted that China would welcome the President when he made his visit.

Teng also has reiterated in several high level conversations in recent months Peking's patience regarding Taiwan. Foreign Minister Chiao Kuan-hua told a group of leftist journalists in early May that, following a recent study, Peking was convinced Washington intended to continue the process leading to normal relations and that China did not plan any unilateral action to resolve the issue. Moreover, Chinese military attaches in Europe are reported to have said in early May that Taiwan was of no particular concern at the moment and that the issue would take care of itself.

At the same time, some reports indicate that Chinese at lower levels continue to encourage US movement on Taiwan. [REDACTED]

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[REDACTED] said that US actions during the Mayaguez affair raised suspicions in Peking that Washington might reinforce the US garrison in Taiwan. [REDACTED]

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[REDACTED] claimed that Peking thus "required" the

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25X1C US to establish normal ties with China without delay. [REDACTED] reported that a former Chinese resident was told while in China in mid-May that Peking was disappointed and concerned at the stalemate in relations with Washington. [REDACTED]

25X1X [REDACTED] reportedly said in April that the US should begin to implement the Shanghai communique regarding Taiwan.

25X1C Reduced Chinese expectations regarding the Ford trip to China appear to be a result of the outcome in Indochina. Beginning in late April as the end of the Vietnam war loomed, several Chinese indicated apprehension that the result of the Indochina war might have adverse effects on China's relations with the US. [REDACTED]

a senior Chinese diplomat said in April that the possibility of a right-wing reaction in the US might affect relations. He added that China was making a "special effort" over Taiwan but, in Peking's view, President Ford's visit might not be as productive as the Chinese wished.

25X1C [REDACTED] that the outcome in Indochina might result in a US decision to retain American forces in Taiwan for the time being. [REDACTED] went much further indicating in early May that Washington might postpone or cancel the President's trip to China and that this would be a blow to Peking.

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25X1C

[REDACTED]

This assessment suggests that China believes, in light of this perception of US preoccupations, that it is necessary to assert the importance China attaches to the US connection, and above all to make certain that the President will in fact make his visit.

In fact, Peking appears to believe at this juncture that it has more at stake in good relations with Washington in terms of Chinese interests in Asia than before the denouement in Indochina. The Chinese clearly are concerned that conditions more favorable to the growth of Soviet influence in East Asia have been created, in part, by the new situation in Indochina and that a strong US presence in the Asian theater as a counter to Moscow now is more important. (*Chinese Affairs*, May 12, 1975.)

In his early May conversation with the leftist journalists, Chiao said that events in Indochina have contributed to close Sino-US relations. He explained that both parties now share an interest in limiting Moscow's influence in the area.

Chinese concerns on this score seem particularly acute regarding Taiwan. Peking has demonstrated increasing sensitivity that the Soviets, under Chinese Nationalist encouragement, might be tempted to fill any vacuum created on Taiwan by the early withdrawal of US forces. In a confidential conversation last December, [REDACTED] linked this concern with Peking's relaxed view

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of the "slow" pace of US withdrawal from Taiwan. It was also in this connection that he surfaced for the first time the line that Peking was anxious to receive President Ford in China this year whether or not the President brought "gifts."

Despite reduced Chinese expectations regarding the Ford visit and reports of disclaimers, senior spokesmen with knowledge of the state of play between Peking and Washington continue to indicate satisfaction with the state of Sino-US relations. Chiao Kuan-hua told the editors, for instance, that relations are on track and proceeding smoothly. The PRC-owned press in Hong Kong carried without comment the announcement of US plans to withdraw combat aircraft from Taiwan, indicating that Peking has taken note of and approves the move.

Peking has indicated the importance it attaches to major US policies in other, less direct ways. Chinese officials have spoken frequently in positive terms of a strong US role in Europe and Asia as a counter to Moscow in the post Indochina war period. The Chinese press has favorably reported indications that Washington intends to remain a front rank power. The Chinese also have taken a restrained view of the exercise of American power, causing, in one instance, astonishment on the part of a Japanese Socialist Party delegation at Peking's benign attitude toward the US. (SECRET NO FOREIGN DISSEM/NO DISSEM ABROAD/BACKGROUND USE ONLY/CONTROLLED DISSEM)

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Mao: Winning Some and Losing Some  
[REDACTED]

25X1A

During his meeting on June 7 with President and Mrs. Marcos of the Philippines, Mao more than once made reference to the fact that he has been criticized. His comments indicate not only that he has his wits about him but that he has apparently been deeply stung by the criticism.

History did not exactly reproduce itself in this situation. Prior to the Cultural Revolution, when Mao made similar comments to foreign visitors, he did so to men like Edgar Snow and Andre Malraux, people he had known for some time. To admit to a stranger like Marcos that he has critics at home suggests the degree to which the criticism has troubled him.

Although Mao tried to portray the criticism as basically a healthy situation, there was nevertheless a touch of bitterness in the inscription he wrote for Marcos' daughter in which he noted men "of quality" were subject to criticism from their peers. Ironically, the references to his domestic critics were made in the presence of Vice Premier Teng Hsiao-ping, whose speech to the party central committee in January appears to have set the tone for much of the criticism of the Chairman.

Mao has been back in Peking for some two months and has met each head of state who has visited the country since April. His return coincided not only with the visit of North Korean President Kim Il-song but with the events in Indochina. Mao may have exploited those events to reassert still more strongly his own views of the necessity to continue to confront Moscow and to turn the tables on those who apparently were calling for a less abrasive policy toward the Soviet Union and were evidently criticizing him in the process.

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In the aftermath of the Indochina war the Chinese appear to see themselves surrounded on three sides by the Soviet Union or countries more friendly to Moscow than to Peking. This has certainly been the burden of Chinese public and private comment since the end of the war. It is almost certainly significant that the emergence of this line--and of heightened anti-Soviet polemics from Peking--coincided with Mao's return to the capital. China's refusal to relegate the "anti-hegemony" clause to the preamble of the Sino-Japanese treaty is only one bit of evidence that the Chinese are continuing to push a hard anti-Soviet line, even at some immediate cost.

Aside from the Soviet issue, on which Mao has evidently had success, he has not been vindicated of the domestic charges made against him: his responsibility for nine years of political instability caused by the Cultural Revolution, the effects of this unstable situation on the economy, and the Chairman's role in bringing Lin Piao to power.

The propaganda continues to harp on the unity and stability theme and to link this to increased production. The military, once tarred as an institution with the Lin Piao brush, is receiving better treatment. Regional military men have led Chinese delegations abroad, and Peking recently promoted the number two man in Anhwei Province, a military man, to the top civilian job.

Despite Mao's distrust of the military in the wake of the Lin Piao affair and his attempts to root out any remaining followers of Lin, the military has apparently been successful in turning the Lin issue against Mao. The Chairman in early January had to do a self-criticism on his own failure to recognize Lin's traitorous designs and his role in helping to bring Lin to power. Because of the military's own low standing at the time, Mao might have avoided the humiliation of a self-criticism were it not for the apparent cooperation of important civilians in the leadership with the military on this issue.

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Although Mao's policy toward the Soviet Union has remained intact, the Chairman's preoccupation during the Marcos meeting with criticism of his leadership raises questions about his relationship with the other Chinese leaders and suggests that some strains may still exist. (SECRET NO FOREIGN DISSEM)

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Japan: A Tougher Stand

25X1A

Growing concern over Soviet intentions in Asia, in the wake of recent events in Indochina, was apparently the main factor behind Peking's increasingly tough stance on the inclusion of an anti-hegemony provision in the proposed Sino-Japanese treaty. The Chinese also appear to have miscalculated Japanese Prime Minister Miki's ability to obtain a consensus on the issue in his own Liberal Democratic Party (LDP).

The failure of the two sides to reach an agreement on the thorny anti-hegemony issue resulted in an end to the current round of treaty talks last week. Although both sides still appear anxious to reach agreement on the pact, the interruption represents a setback to Peking's attempts to move its relations with Tokyo onto even firmer footing--and well ahead of Moscow's political ties with the Japanese.

The toughening of Peking's position on the anti-hegemony clause--a provision generally understood to be directed against the Soviet Union--coincided with the communist victory in South Vietnam. Peking has for some time expressed the view that Moscow's influence in Hanoi was greater than its own and that the communist victory in the south represented an opportunity for the Soviets to increase their influence there, as well as in other countries in the region.

One clear reflection of this concern is the notable increase in Chinese propaganda directed against Soviet "social imperialism" and "hegemonism" since the fall of Saigon. Several of the Chinese attacks have emphasized Soviet activities and intentions in Japan. Peking also pointed up the "hegemonism" issue in the joint communique announcing the establishment

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of diplomatic relations with the Philippines earlier this month. In that announcement, both countries expressed opposition to any third country attempts "to establish hegemony or create spheres of influence in any part of the world," an even broader formulation than that proposed for the Sino-Japanese peace treaty.

At the outset of Sino-Japanese talks on the peace treaty earlier this year, the Chinese had approached the anti-hegemony issue in a relatively low-key manner. Premier Chou En-Lai, for instance, told a member of the Japanese Diet in January that the proposed anti-hegemony language was not directed at Moscow and that, in any event, the issue should not be an obstacle to reaching agreement on the pact. Chou predicted that negotiations could be completed within three months.

As late as April, the Japanese press was continuing to predict imminent agreement on the pact, and there were reports that the Chinese had agreed to a compromise that would have allowed for the inclusion of the anti-hegemony clause in the preamble of the treaty, rather than in the text. It was not until May--and the communist assumption of power in Saigon--that reports were leaked suggesting that Peking had demanded that the anti-hegemony issue be treated in the body of the treaty, thus giving it greater currency and emphasis. Premier Chou confirmed these reports early this month in a conversation with a Japanese visitor. Chou's remarks were clearly intended to show the Japanese in the most forceful possible way that Peking would not back down on the issue.

Their toughened stand suggests that the Chinese believed that Miki would be able to win approval for the treaty in the LDP and the Diet, despite the presence in the text of the anti-hegemony clause.

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When Miki took office last December, some Chinese officials had expressed suspicions about his willingness and ability to follow up on agreements made with former Prime Minister Tanaka, but evidence of these fears seemed to subside in recent months. In addition, Peking had made it clear to Tokyo that Miki's performance on the peace treaty would be considered a test of his intention to maintain the tilt toward China that Tanaka had begun in 1972 when relations between the two countries were established.

The Chinese have almost certainly not given up on Miki and probably hope that he will still be able to obtain LDP approval for the treaty before too long. Peking, therefore, can be expected to maintain pressure on Tokyo. In fact, [REDACTED] has reported that, in late May, Chou sent a letter to Tanaka, inviting him to visit Peking in order to discuss the peace treaty. The Chinese may hope to convince Tanaka that his cooperation is needed in order to break the impasse in the treaty negotiations. Getting this kind of assistance from Tanaka, however, will be a difficult task in light of the bad blood that has characterized the Tanaka - Miki relationship ever since Miki walked out of Tanaka's cabinet last year.

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Even if agreement on the anti-hegemony clause is reached fairly soon, however, the treaty cannot be ratified until next autumn when the Japanese Diet reopens. (SECRET NO FOREIGN DISSEM/CONTROLLED DISSEM)

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The Chekiang Example

25X1A

Although the political situation in most provinces has improved to the point where disorders reminiscent of the Cultural Revolution are the exception, Chekiang continues to experience frequent and bloody clashes between rival factions.

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[REDACTED] has provided a jarring description of the events and intrigues that have produced the current situation.

25X1C

[REDACTED] traces the current problems to the purge of first secretary Nan Ping as a Lin conspirator in the summer of 1972 and the subsequent need to reorganize the provincial party committee. The central work team led by Tan Chi-lung that was given the job of carrying out the reorganization soon ran head on into Chekiang's two major factions and the thorny rehabilitation issue.

25X1C

One faction, now called the Mountain Top faction, was primarily composed of officers from the 20th Army and the 5th Air Force and was aligned with the purged Nan Ping. The other faction, the present Mountain Base faction, was primarily made up of personnel from the Chekiang Military District. They had long opposed Nan Ping, apparently with the active support of Politburo member and Canton Military Region commander Hsu Shih-yu, who was then boss of neighboring Kiangsu Province and commander of the Nanking Military Region, of which Chekiang is a part.

Personal rivalries and competition for the limited number of choice political posts seem to

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be the primary source of friction between the factions. Disagreement over substantive policy issues does not appear to have played a role in their ongoing dispute.

Under the direction of Tan and the central work team, many members of the 20th Army were removed from provincial party posts and replaced by veteran and rehabilitated cadre, most of whom had been originally purged by Nan Ping. Many of the "mass representatives" who shot to power during the height of the Cultural Revolution also were removed and sent back to their former units. Many of the Mountain Base faction members with the support of Tan and Hsu were able to gain spots on the reorganized committee. More importantly, they gained control of the investigation into the old Chekiang committee and thus were able to protect their own people.

The initial reorganization intensified the feuding rather than ending it, and members of the Mountain Top faction appealed to their supporters in Peking for help, demanding rehabilitation.

25X1C [REDACTED] Peking became concerned about "leftist tendencies" as the Mountain Base faction increased its control and possibly about the continuing machinations of Hsu Shih-yu as well, who was transferring military cadre under his command in and out of the province. In February 1973, Chou En-lai supposedly traveled to the province, and in effect gave the Mountain Top faction a clean bill of health, declaring that both the 20th Army and 5th Air Force were faithful to Chairman Mao.

After the Chou visit, the Mountain Top faction was able to improve its position substantially, partly because Tan, who had just been named first secretary, withdrew his support from the

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Mountain Base Group--apparently sensing a trend--and tried to assume a more neutral stance. The net result was that he drew criticism from all groups.

The situation began to deteriorate during the spring and summer of 1973 as the factions argued over who would represent Chekiang at the 10th Party Congress. When the anti-Confucius campaign began in earnest shortly thereafter, both factions seized the opportunity to attack their opponents in wall posters as Confucianists. Fighting between the rival groups soon broke out and Peking was forced to actively intervene.

Peking tried a number of tactics as the fighting worsened throughout 1974. Factional leaders were called to Peking in an effort to resolve their differences, military units were used to separate warring groups, central directives specifically addressed Chekiang's problems, and top central leaders, particularly Wang Hung-wen, personally intervened to try and set things straight. According to one unsubstantiated report, elements of the 20th Army were even rotated out of the province--all with little lasting effect. As the situation has deteriorated, Peking apparently has become more and more disillusioned with Tan's performance, and even recently rebuked him for his inability to keep order.

The events in Chekiang make several important points about the general nature and cause of provincial factionalism. First, provincial factionalism is deep seated and self perpetuating. The factions active today are the direct descendants of those formed ten years ago. Second, the factionalism has an intensely personal nature; policy issues often seem to be relatively unimportant. Third, despite the long life of the factions, their members do change sides as the political winds

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change. Fourth, outsiders, such as Tan, who are brought in to restore order, face formidable obstacles, including Peking's apparent inability to render meaningful assistance. Fifth, provincial factions probably could not survive without the covert support of top leaders in Peking, who are only too eager to exploit local differences for their own political ends. Sixth, Peking's vague and loosely worded directives often make matters worse by allowing rival groups to interpret them to suit their own needs. And seventh, changes in the line generated by factional differences in Peking have heightened the bitterness and exacerbated the problems at the local level.

While Chekiang's problems are typical of those found in other provinces, they are more severe than most. Chekiang really is an example of the worst possible case. The overall political situation has been improving in most provinces, despite the many problems, and the current outlook is reasonably good that this trend will continue. (see *Chinese Affairs* June 9, 1975.) Further progress, as always, is dependent on the resolution of differences in Peking. If the moderate group in the national leadership continues to consolidate its position, the differences should gradually diminish. (SECRET NO FOREIGN DISSEM/CONTROLLED DISSEM)

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Fukien--Will the Exception Become the Rule?

[REDACTED]

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An account of a recent work conference on militia training in Fukien Province, which places heavy emphasis on improving military training, seems out of phase with the prevailing line on the militia. Previous broadcasts had repeatedly emphasized the theme that the primary task of the militia, particularly in the cities, was to support the campaign to strengthen the proletarian dictatorship by improving law and order.

The Fukien conference was highlighted in a speech by party first secretary Liao Chih-kao, who is also the political commissar of the Fukien Military Region and Military District. The broadcast made several references to a "directive" and "Chairman Mao's instructions" on military training. Although the context is not entirely clear, the references to the directive seem to cite a previous order rather than a new instruction. Even so, Fukien is clearly re-emphasizing military training directives.

This attention to militia training may be pegged to the June 19 anniversary of a Mao statement on the militia. That statement, however, refers to strengthening the militia "organizationally, politically and militarily," and does not represent special emphasis on training. It is likely, in fact, that training has been allowed to slide because of the focus on political and production tasks, and the time has come in Fukien to redress the imbalance. Liao said that doing a good job in training would have "a direct bearing" on the successful conduct of the present campaign to strengthen the proletarian dictatorship and recalled the "crimes" of Lin Piao and company in

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opposing militia training. As a coastal province, Fukien is more likely to be sensitive to keeping militia training at reasonable levels than an inland province.

While it remains to be seen whether other provinces will now begin to stress militia training, Peking continues to envisage an important role for the militia, or at least specially selected units, in supporting the regular forces in wartime. The recent communist victories in Indochina have been cited as validating this "people's war" concept.

The Fukien broadcast is also striking for one thing that it did not say. There was no reference to learning from Shanghai's advanced experience. The urban militia movement appeared to begin in Shanghai in the fall of 1973 and, in any event, Shanghai has been the acknowledged model for the militia's role in keeping order. The model gives very little attention to training.

The militia's heavy involvement in maintaining order and aiding production has clearly been a policy pushed by Peking moderates. An adjustment that allows for more training--always conducted so as not to interfere with production--in conjunction with continued security duties would seem to be an expansion rather than a reversal of that policy. Both Shanghai and Fukien emphasize the leading role of the party and the supporting role of the regular forces in overseeing militia affairs. Moreover, the Fukien broadcast makes it clear that militia units cannot expect any large increases in weapons or equipment by stating that the question of supplies should be solved using the principle of "self-reliance." (CONFIDENTIAL)

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Promotion in Anhwei--the Teng Connection?

25X1A

With the elevation of June 18 of Sung Pei-chang, first political commissar of the Anhwei Military District to first secretary of the Anhwei Provincial Party Committee, Peking has again broken the pattern of appointing civilians to vacant, top provincial party posts--the only other exception has been the appointment of Lu Jui-lin in Kweichow. Sung's appointment fills the vacancy left by the transfer of former first secretary Li Te-sheng to Liaoning in December 1973. Li, in fact, had not appeared in Anhwei for a number of years, apparently being pre-occupied by his other former job as head of the PLA General Political Department.

Although Sung was probably associated with Li--he came to Anhwei in September 1967 with Li's Twelfth Army--he has managed to avoid any fallout from Li's continuing political difficulties. Although he was accused of unspecified crimes with Li in a July 1974 Nanking wall poster, Sung has maintained a leading role in Anhwei.

Sung also has probable connections with Teng Hsiao-ping. A career political commissar, Sung served in units which later became part of the Second Field Army. Sung also served in the southwest region in 1950-1951 during Teng's tenure as regional boss.

In addition to his possible connections with Teng Hsiao-ping--obviously a good man to know these days--Sung's appointment reflects the practice of appointing experienced leaders to head problem provinces. Although he is a military man, Sung is a career political commissar and not a troop commander. Sung has also had ample experience in

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handling the problems of the area. Since he has been ranking member of the provincial party committee and de facto leader since 1973, Sung has managed to control some of the more serious problems such as the railway disturbances. With Sung's appointment, the trend toward moderation and tighter central control continues, leaving only four provinces without first secretaries. (CONFIDENTIAL)

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The Proletarian Dictatorship  
Campaign: A Humdrum Affair  
[REDACTED]

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For a campaign that began with a series of authoritative media pronouncements and articles by two Politburo members, the current proletarian dictatorship campaign seems to have leveled off into essentially just another of China's endless study movements. The campaign's heavy emphasis on unity, stability, and production is in sharp contrast to previous campaigns--the convulsions of the Cultural Revolution, the shock and witch hunt of the Lin Piao affair, and the confusion and apprehension of the anti-Confucius campaign.

The so-called "rectification" phase of the current campaign, anticipated with some fear at the local levels, has turned out to be relatively harmless. It focuses on corruption, profiteering, petty theft, and influence-peddling, and the wrongdoers are subjected not to purge but to patient re-education.

Although there have been isolated instances of overzealous local officials stepping outside the campaign's ground rules by confiscating private farm plots or completely forbidding sideline production, provincial broadcasts have consistently issued rebukes on this score. The broadcasts warn local officials not to take any rash action, in fact not to make any changes at all, until they have thoroughly studied and understood the theoretical issues. The broadcasts make it clear that the study process will be protracted, and that changes in current economic practices will be a long time in coming. On one occasion, Radio Peking even went so far as to define "restricting bourgeois rights" as "safeguarding" them from infringement by over-eager local officials.

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As in any campaign, the current movement carries with it the potential for a given group to turn the campaign into a political issue to be used against long-time adversaries. Peking's emphasis on unity and the constant criticism of "factionalism" are plainly meant as warnings against such practices. The warnings have thus far been largely successful, the only notable--and predictable--exception being troubled Chekiang Province. The area has long been plagued by factional disputes, and one report claims the current campaign has given the various factions an excuse to continue their conflicts.

In addition to emphasizing Peking's interest in unity and stability and its preoccupation with economic affairs, the campaign has provided a glimpse into the roles of Politburo members Chang Chun-chiao and Yao Wen-yuan. Both wrote major articles on the campaign, and Mao reportedly asked them to compile the series of quotations from Marx, Engels, and Lenin that has been the basis for much of the current study. According to one provincial broadcast, the quotes were compiled by the "editorial departments" of *People's Daily* and *Red Flag*. Yao has long been thought to be associated with *Red Flag* and Chang reportedly inherited from Chou En-lai the task of screening major *People's Daily* articles. The provincial broadcast tends to confirm Yao's connection to *Red Flag* and Chang's to *People's Daily*. (CONFIDENTIAL NO FOREIGN DISSEM)

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Moving More Freight  
[REDACTED]

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China's transport situation, after some disruption in 1974, is now back on the track.

The railways, identified last year as a major brake on industrial progress, now report substantial rises in freight flow. The mass down-to-the-freight-yard movement of administrative and military cadres last fall may have helped stimulate this increase. Although disruptions growing out of the anti-Lin, anti-Confucius campaign in 1974 continued to be reported this spring in Chekiang and Anhwei, the overall situation seems to have been corrected.

More freight is also moving by other means. Waterway freight volume for the first 4 months this year is up 17.5 percent over the same period last year. Highway freight also increased substantially during the period. (CONFIDENTIAL)

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Criticism for Cadres  
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A [REDACTED] speech, which was delivered in November 1974 by Chao Tzu-yang, first secretary of the Kwangtung Provincial Party Committee, highlights what have proved to be continuing problems for the party.

In the speech, Chao identified two areas of concern, factionalism and non-implementation of central directives. Although the situation in Kwangtung was not as chaotic and violent as in some other provinces, the bickering within the party, apparently at high levels, was serious enough to merit Chao's attention.

Adopting a get tough attitude, Chao chastised those party members that breach party discipline and engage in factionalism. Factional activities within the party were considered to border on revisionism. In an apparent reference to Hsu Shih-yu, Canton Military Region commander, Chao condemned those "leading cadres who have supported these erroneous movements" in defiance of central instructions. Chao's attack on factionalism is the strongest and most specific such assault of which we are aware in a number of years; in many respects it is harder hitting than any attack on factionalism at the close of the Cultural Revolution. In fact it seems to be a precursor of Teng Hsiao-ping's admonition to restore the pre-Cultural Revolution prestige of the government and party.

Poor performance by party cadres during the anti-Lin campaign and continued non-implementation of central directives led Chao to sharply criticize party members and even party committees for their lack of compliance. Party members were also chastised for not obeying local party committees. They were accused of disregarding the principle of democratic centralism and raising the "sham principle of listening only to the Central."

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To correct the situation, Chao advocated increased theoretical study for cadres, stricter party discipline, and increased criticism--self-criticism, but no purges. These themes were all re-emphasized at the national level in speeches at the Second Plenum of the Tenth Central Committee and the Fourth National People's Congress. These solutions are also part of the program for cadres under the current dictatorship of the proletariat campaign, indicating that factionalism and non-implementation of party policies are still problems.

Apparently Chao's prescriptions have been successful in Kwangtung, as the proletarian dictatorship campaign has moved toward the rectification phase.

Although [REDACTED] have noticed a few posters indicating continuing reluctance on the part of cadres to implement the dictatorship of the proletariat campaign, the general lack of official slogans and articles on the rectification phase of the campaign suggest that Chao Tzu-yang has things under control in Kwangtung. (SECRET NO FOREIGN DISSEM/NO DISSEM ABROAD/BACKGROUND USE ONLY/CONTROLLED DISSEM)

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CHRONOLOGY

June 9-13 Chinese-Norwegian Trade Commission holds session in Oslo. (U)

June 10 Visiting North Korean army "friendship group," headed by deputy chief of General Staff Cho Myong Sou, feted at banquet in Peking. (U)

June 11 Gambian President Jawara arrives in Peking for state visit. (U)

June 11-12 Japanese international trade delegation received by Vice Premier Li Hsien-nien on June 11 and by Premier Chou En-lai on June 12; both Li and Chou reiterate Peking's insistence that anti-hegemony clause be included in text of proposed Sino-Japanese peace treaty. (U)

June 12 Pakistani border trade delegation arrives in China. (U)

June Chinese military "friendship" delegation headed by Deputy Chief of Staff Hsiang Chung-hua ends visit to Yugoslavia. (U)

June 13 Chinese military "friendship" delegation visits Romania. Delegation is headed by Tseng Shao-shan, central committee member and political commissar of Shenyang PLA. (U)

Chinese industrial exhibition opened in Cologne, West Germany by Vice Foreign Trade Minister Chai Shu-fan. (U)

Chinese delegation to the World Conference of the International Women's Year departs for Mexico. (U)

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June 14            Iraqi News Agency chief feted in Peking. (U)

June 15            Albanian economic delegation headed by politburo member Adil Carcani visits China; the delegation is hosted by Li Hsien-nien and sees Chou En-lai. (U)

June 16            First meeting of Chinese-Danish trade Commission held in Copenhagen. (U)

June 17            Lao economic delegation returns to Vientiane after visiting China and North Vietnam, and announces details of 1974 assistance agreement. (U)

June 17-22        Thai negotiating team, led by UN Ambassador Anan Panyarachun, visits Peking to work out details of establishing diplomatic relations with China; meets with Foreign Minister Chiao Kuan-hua on June 21. (U)

June 18            Military man Sung Pei-chang named 1st secretary of Anhwei Province. (U)

June 19            Chinese government delegation led by Minister of Communications Yeh Fei departs Peking for independence celebration in Mozambique. (U)

June 22            Private Sino-Japanese fisheries agreement extended to December 22, pending conclusion of government-level agreement now under negotiation. (U)

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